



Kelly K. Macaluso

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Dear Sir or Madam:

Thank you for the opportunity to share my comments on the proposed Business Opportunity Rule R511993. I am deeply concerned about the impact this ruling, and believe **that in its present form, it would prevent me from continuing as a SeneGence Independent Distributor.** I understand that part of the FTC's responsibilities is to protect the public from "unfair and deceptive acts or practices," yet some of the sections in the proposed rule will make it very difficult, if not impossible, for me to sell SeneGence products. It would also mean that other women (and men) – who desire a part time income, with flexibility to work around the needs of family – would be discouraged from investigating Direct Selling businesses, due to the perception that this industry is not legitimate, or is ridden with fraud.

I have been an Independent Distributor with SeneGence USA for just shy of 5 years. I joined the company as a Distributor because I felt the products were exceptional and I wanted to earn some additional income. For much of this time, I have been a single parent and supported myself and my son through my direct selling business. **I am concerned because my business – as well as the businesses of hundreds of thousands of others like me – is dependent on the stability of the direct selling industry – which will be all but destroyed by this bill, in it's present form.**

One of the most unrealistic requirements of the proposed rule is the seven-day waiting period to enroll new Distributors. New Distributors may start with my company for as little as \$45.00, or purchase a complete sales kit only costs \$ 295.00. **Americans People routinely buy TVs, computers and hundreds of other items that cost much more than \$295.00 – often with no warranty and/or a no return policy -- and they do not have to wait seven days.** The waiting period is unnecessary, because SeneGence offers (as does every reputable Direct Selling Company that I am familiar with) a 90 % buy-back policy. This includes all products including sales kits purchased by a salesperson within the last twelve months. The waiting period gives the impression to that there might be something wrong with the direct selling industry. Under this waiting period requirement, the required paperwork would mean that direct sales consultants would need to keep very detailed records about contacts and timing of conversations, as well as spend hours on filing reports to their companies. From my experience, most Distributors would not be able to justify the increase time spent on paperwork under this rule, and they might not continue to work in this important industry.

I don't know of other industries where companies are required to release to potential sales reps or partner, information regarding all lawsuits, even those where the company was not found guilty. In today's highly litigious society, companies are sued from coast to coast on a daily basis – and our courts were established to determine guilt or innocence. **It is unfair to ask companies in the Direct Selling Industry to disclose unfounded lawsuits, and those of us who work in the industry would be put at an unfair advantage – due to the perception of wrongdoing.**

Finally, the proposed rule requires the disclosure of a minimum of 10 prior purchasers nearest to the prospective purchaser. I am glad to provide references, but in this day of identity theft, I am very uncomfortable giving out the personal information of individuals (without their approval) to strangers. Also, giving away this information could damage the business relationship of the references who may be involved in other companies or businesses including those of competitors. In order to get the list of the 10 prior purchasers, I will need to send the address of the prospective purchaser to SeneGence headquarters and then wait for the list. I also think the following sentence required by the proposed rule will prevent many people from wanting to sign up as a salesperson - "If you buy a business opportunity from the seller, your contact information can be disclosed in the future to other buyers." **People are very concerned about their privacy and identity theft. They will be reluctant to share their personal information with individuals they may have never met.**

While I appreciate the work that the FTC does to protect consumers, I believe this proposed new rule has many unintended consequences that would mean the end of most Direct Selling careers. Please investigate the less burdensome alternatives available to achieving your goals.

Thank you for your time in considering my comments.

Respectfully,

Kelly K Macaluso